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# **TOWN OF PORT BARRE, LOUISIANA**

## **Financial Report**

**Year Ended September 30, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3-28-07

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## INDEPENDENT AUDITORS' REPORT

The Honorable John Fontenot, Mayor,  
and Members of the Board of Aldermen  
Town of Port Barre, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Port Barre, Louisiana, as of and for the year ended September 30, 2006, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Port Barre, Louisiana, as of September 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 21, 2006 on our consideration of the Town of Port Barre's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The required supplementary information on pages 38 through 40 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Town of Port Barre has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Port Barre's basic financial statements. All of the supplementary information, except for the schedule of number of utility customers and the schedule of insurance in force, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in relation to the basic financial statements taken as a whole. The schedule of number of utility customers and the schedule of insurance in force have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them. The prior year comparative information on the other supplementary information has been derived from the Town of Port Barre's 2005 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements taken as a whole, except for the schedule of number of utility customers which was not subjected to the auditing procedures and on which we expressed no opinion.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
December 21, 2006

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

# TOWN OF PORT BARRE, LOUISIANA

## Statement of Net Assets September 30, 2006

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and interest-bearing deposits	\$ 825,916	\$ 262,755	\$1,088,671
Receivables, net	42,072	97,792	139,864
Due from other governmental units	<u>100,518</u>	<u>-</u>	<u>100,518</u>
Total current assets	<u>968,506</u>	<u>360,547</u>	<u>1,329,053</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	-	156,276	156,276
Capital assets:			
Land and construction in progress	86,425	233,474	319,899
Other capital assets, net	<u>1,355,785</u>	<u>4,311,375</u>	<u>5,667,160</u>
Total noncurrent assets	<u>1,442,210</u>	<u>4,701,125</u>	<u>6,143,335</u>
Total assets	<u>2,410,716</u>	<u>5,061,672</u>	<u>7,472,388</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts, salaries and other payables	109,638	48,653	158,291
Capital lease payable	35,425	-	35,425
Bonds and certificates payable	40,000	24,706	64,706
Accrued interest	<u>14,654</u>	<u>2,516</u>	<u>17,170</u>
Total current liabilities	<u>199,717</u>	<u>75,875</u>	<u>275,592</u>
Noncurrent liabilities:			
Customers' deposits	-	70,015	70,015
Capital lease payable	20,868	-	20,868
Bonds and certificates payable	<u>570,000</u>	<u>565,010</u>	<u>1,135,010</u>
Total noncurrent liabilities	<u>590,868</u>	<u>635,025</u>	<u>1,225,893</u>
Total liabilities	<u>790,585</u>	<u>710,900</u>	<u>1,501,485</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	775,917	3,979,839	4,755,756
Restricted for debt service	115,770	59,039	174,809
Unrestricted	<u>728,444</u>	<u>311,894</u>	<u>1,040,338</u>
Total net assets	<u>\$1,620,131</u>	<u>\$4,350,772</u>	<u>\$5,970,903</u>

The accompanying notes are an integral part of the basic financial statements.



TOWN OF PORT BARRE, LOUISIANA

Statement of Activities  
For the Year Ended September 30, 2006

	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Assets		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 141,364	\$ 65,544	\$ -	\$ -	\$ (75,820)	\$ -	\$ (75,820)
Public safety:							
Police	786,792	750,266	-	293,249	256,723	-	256,723
Streets	285,400	-	-	-	(285,400)	-	(285,400)
Culture and recreation	36,944	-	-	-	(36,944)	-	(36,944)
Interest on long-term debt	42,514	-	-	-	(42,514)	-	(42,514)
Total governmental activities	<u>1,293,014</u>	<u>815,810</u>	<u>-</u>	<u>293,249</u>	<u>(183,955)</u>	<u>-</u>	<u>(183,955)</u>
Business-type activities:							
Gas	405,642	475,081	-	-	-	69,439	69,439
Water	260,243	314,543	-	-	-	54,300	54,300
Sewerage	366,872	232,396	-	-	-	(134,476)	(134,476)
Total business-type activities	<u>1,032,757</u>	<u>1,022,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,737)</u>	<u>(10,737)</u>
Total	<u>\$2,325,771</u>	<u>\$1,837,830</u>	<u>\$ -</u>	<u>\$293,249</u>	<u>(183,955)</u>	<u>(10,737)</u>	<u>(194,692)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes							
					37,944	-	37,944
Sales and use taxes, levied for general purposes							
					434,762	-	434,762
Franchise taxes							
					120,145	-	120,145
Local sources							
					2,822	-	2,822
Grants and contributions not restricted to specific programs -							
State sources							
					82,407	-	82,407
Federal sources							
					1,518	-	1,518
Interest and investment earnings							
					874	3,691	4,565
Miscellaneous							
					88,088	-	88,088
Loss on disposal of assets							
					(8,041)	-	(8,041)
Transfers							
					14,770	(14,770)	-
Total general revenues and transfers					<u>775,289</u>	<u>(11,079)</u>	<u>764,210</u>
Change in net assets							
					591,334	(21,816)	569,518
Net assets - October 1, 2005					<u>1,028,797</u>	<u>4,372,588</u>	<u>5,401,385</u>
Net assets - September 30, 2006					<u>\$1,620,131</u>	<u>\$4,350,772</u>	<u>\$5,970,903</u>

The accompanying notes are an integral part of the basic financial statements

**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTIONS**

### **General Fund**

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

#### **1966 Sales Tax Fund -**

To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to the construction, acquisition, extension, improvement and/or maintenance of drainage facilities, sewer, and sewerage disposal works, streets, sidewalks, waterworks, and garbage collection and disposal facilities of the Town of Port Barre, including the purchase of equipment therefore.

#### **1996 Sales Tax Fund -**

To account for the receipt and use of proceeds of the Town's 1.2% sales and use tax. These taxes are dedicated to the construction, maintenance and improvement of public streets of the Town of Port Barre.

### **Debt Service Funds**

#### **1996 Sales Tax Bonds and Certificates of Indebtedness Debt Service Fund**

To accumulate monies for payment of \$200,000 Certificates of Indebtedness and \$900,000 Sales Tax Bonds. Debt service is financed from a 1.2% sales and use tax.

#### **Street Improvement Bonds 01/01/87 Fund**

To accumulate monies for payment of the \$125,000 Public Improvement serial bonds. Debt service is financed by specific ad valorem tax. The bonds were paid out during the fiscal year ended September 30, 2004.

### **Enterprise Fund**

#### **Utility Fund -**

To account for the provision of gas, water, and sewerage services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

**Balance Sheet  
Governmental Funds  
September 30, 2006**

**The accompanying notes are an integral part of the basic financial statements.**

**TOWN OF PORT BARRE, LOUISIANA**

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
September 30, 2006**

<b>Total fund balances for governmental funds at September 30, 2006</b>	<b>\$ 858,868</b>
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**Total net assets reported for governmental activities in the statement of net assets is different because:**

**Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:**

<b>Land</b>	<b>\$ 86,425</b>	
<b>Buildings, net of \$649,803 accumulated depreciation</b>	<b>838,913</b>	
<b>Infrastructure, net of \$487,524 accumulated depreciation</b>	<b>345,600</b>	
<b>Equipment net of \$161,929 accumulated depreciation</b>	<b><u>171,272</u></b>	<b>1,442,210</b>

**Long-term liabilities at September 30, 2006**

<b>Bonds payable at September 30, 2006</b>	<b>(621,386)</b>	
<b>Capital lease payable</b>	<b>(44,907)</b>	
<b>Accrued interest</b>	<b><u>(14,654)</u></b>	<b><u>(680,947)</u></b>

<b>Total net assets of governmental activities at September 30, 2006</b>	<b><u>\$ 1,620,131</u></b>
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The accompanying notes are an integral part of the basic financial statements.

TOWN OF PORT BARRE, LOUISIANA  
Statement of Revenues, Expenditures, and Changes in Fund Balances-  
Governmental Funds  
For the Year Ended September 30, 2006

	General	1966 Sales Tax Special Revenue	1996 Sales Tax Special Revenue	1996 Sales Tax Bonds and Certificates of Indebtedness Debt Service	Street Improvement Bonds 01/01/87 Debt Service	Total
<b>Revenues:</b>						
Taxes	\$ 158,089	\$195,643	\$239,119	\$ -	\$ -	\$ 592,851
Licenses and permits	65,544	-	-	-	-	65,544
Intergovernmental	379,996	-	-	-	-	379,996
Fines and forfeits	750,266	-	-	-	-	750,266
Miscellaneous	88,088	-	55	819	-	88,962
<b>Total revenues</b>	<b>1,441,983</b>	<b>195,643</b>	<b>239,174</b>	<b>819</b>	<b>-</b>	<b>1,877,619</b>
<b>Expenditures:</b>						
<b>Current -</b>						
General government	88,076	8,798	6,906	-	-	103,780
Public safety:						
Police	759,025	-	-	-	-	759,025
Highways and streets	-	220,913	35,550	-	-	256,463
Culture and recreation	29,160	5,307	-	-	-	34,467
Debt service -						
Principal	44,907	-	-	60,000	-	104,907
Interest and fiscal charges	3,881	-	-	39,965	-	43,846
Capital outlay	398,809	-	-	-	-	398,809
<b>Total expenditures</b>	<b>1,323,858</b>	<b>235,018</b>	<b>42,456</b>	<b>99,965</b>	<b>-</b>	<b>1,701,297</b>
Excess (deficiency) of revenues over expenditures	118,125	(39,375)	196,718	(99,146)	-	176,322
<b>Other financing sources (uses):</b>						
Proceeds from capital lease	34,925	-	-	-	-	34,925
Transfers in	14,770	55,687	-	101,257	-	171,714
Transfers out	-	-	(151,257)	-	(5,687)	(156,944)
<b>Total other financing sources (uses)</b>	<b>49,695</b>	<b>55,687</b>	<b>(151,257)</b>	<b>101,257</b>	<b>(5,687)</b>	<b>49,695</b>
<b>Net changes in fund balances</b>	<b>167,820</b>	<b>16,312</b>	<b>45,461</b>	<b>2,111</b>	<b>(5,687)</b>	<b>226,017</b>
Fund balances, beginning	302,821	63,111	131,587	129,645	5,687	632,851
Fund balances, ending	\$ 470,641	\$ 79,423	\$ 177,048	\$ 131,756	\$ -	\$ 858,868

The accompanying notes are an integral part of the basic financial statements.

**TOWN OF PORT BARRE, LOUISIANA**

**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended September 30, 2006**

Total net changes in fund balances at September 30, 2006 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 226,017
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The change in net assets reported for governmental activities in the  
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,  
in the statement of activities, the cost of those assets is allocated over  
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 398,809	
Depreciation expense for the year ended September 30, 2006	<u>(96,765)</u>	302,044

Governmental funds report bonded debt repayments as expenditures.  
However, this expenditure does not appear in the statement of activities  
since the payment is applied against the bond payable on the statement  
of net assets

104,907

Proceeds from capital lease

(34,925)

Because governmental funds do not record fixed assets and  
accumulated depreciation, any assets disposed of does not affect  
the statement of revenues, expenses, and changes in fund balances.  
However, in the statement of activities a gain or loss is shown on assets  
that are not fully depreciated.

(8,041)

Difference between interest on long-term debt on modified accrual basis  
versus interest on long-term debt on accrual basis

1,332

Total changes in net assets at September 30, 2006 per Statement of Activities	<u>\$ 591,334</u>
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The accompanying notes are an integral part of the basic financial statements.

# TOWN OF PORT BARRE, LOUISIANA

## Statement of Net Assets

### Proprietary Fund

September 30, 2006

#### ASSETS

##### Current assets:

Cash	\$ 72,180
Interest-bearing deposits, at cost	190,575
Receivables:	
Accounts receivable	<u>97,792</u>
Total current assets	<u>360,547</u>

##### Noncurrent assets:

##### Restricted assets:

Cash	116,574
Interest -bearing deposits, at cost	39,702

##### Capital assets:

Land	15,292
Construction in progress	218,182
Other capital assets, net of accumulated depreciation	<u>4,311,375</u>
Total noncurrent assets	<u>4,701,125</u>
Total assets	<u>5,061,672</u>

#### LIABILITIES

##### Current liabilities:

Accounts payable	23,648
Other liabilities	82
Contracts payable	4,673
Retainage payable	20,250
Payable from restricted assets -	
Revenue bonds	24,706
Accrued interest	<u>2,516</u>
Total current liabilities	<u>75,875</u>

##### Noncurrent liabilities:

Customers' deposits	70,015
Revenue bonds and notes payable	<u>565,010</u>
Total noncurrent liabilities	<u>635,025</u>
Total liabilities	<u>710,900</u>

#### NET ASSETS

Invested in capital assets, net of related debt	3,761,657
Restricted for debt service	59,039
Unrestricted	<u>530,076</u>
Total net assets	<u>\$4,350,772</u>

The accompanying notes are an integral part of the basic financial statements.



# TOWN OF PORT BARRE, LOUISIANA

## Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Fund For the Year Ended September 30, 2006

Operating revenues:	
Charges for services -	
Gas charges	\$ 464,849
Water sales	297,349
Sewer service charges	223,888
Connection charges	6,700
Miscellaneous	<u>29,234</u>
Total operating revenues	<u>1,022,020</u>
Operating expenses:	
Gas department	405,642
Water department	260,243
Sewerage department	<u>338,008</u>
Total operating expenses	<u>1,003,893</u>
Operating income	<u>18,127</u>
Nonoperating revenues (expenses):	
Interest income	3,691
Interest expense	<u>(28,864)</u>
Total nonoperating expenses	<u>(25,173)</u>
Loss before transfers	(7,046)
Transfers out	<u>(14,770)</u>
Change in net assets	(21,816)
Net assets, beginning	<u>4,372,588</u>
Net assets, ending	<u>\$ 4,350,772</u>

The accompanying notes are an integral part of the basic financial statements.

**TOWN OF PORT BARRE, LOUISIANA**

**Statement of Cash Flows  
Proprietary Fund  
For the Year Ended September 30, 2006**

**Cash flows from operating activities:**

Receipts from customers	\$ 974,097
Payments to suppliers	(707,457)
Payments to employees	(174,006)
Other receipts	<u>29,234</u>
Net cash provided by operating activities	<u>121,868</u>

**Cash flows from noncapital financing activities:**

Cash received from other funds	70,574
Transfers to other funds	<u>(14,770)</u>
Net cash provided by noncapital financing activities	<u>55,804</u>

**Cash flows from capital and related financing activities:**

Principal paid on revenue bond maturities	(24,324)
Interest and fiscal charges paid on revenue bonds	(28,495)
Net increase in meter deposits	6,980
Acquisition of property, plant and equipment	<u>(203,141)</u>
Net cash used by capital and related financing activities	<u>(248,980)</u>

**Cash flows from investing activities:**

Purchase of interest-bearing deposits	(139,273)
Maturities of interest-bearing deposits	136,422
Interest on investments	<u>3,691</u>
Net cash provided by investing activities	<u>840</u>

Net decrease in cash and cash equivalents	(70,468)
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Cash and cash equivalents, beginning of period	<u>350,226</u>
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Cash and cash equivalents, end of period	<u>\$ 279,758</u>
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(continued)

**TOWN OF PORT BARRE, LOUISIANA**

**Statement of Cash Flows  
Proprietary Fund - (Continued)  
For the Year Ended September 30, 2006**

**Reconciliation of operating loss to net cash used by  
operating activities:**

Operating income	\$ 18,127
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	136,874
Amortization of bond issuance costs	1,130
Changes in current assets and liabilities:	
Increase in accounts receivable	(18,689)
Decrease in accounts payable	(15,576)
Increase in other liabilities	<u>2</u>
Net cash provided by operating activities	<u>\$ 121,868</u>

**Reconciliation of cash and cash equivalents per statement  
of cash flows to the balance sheet:**

**Cash and cash equivalents, beginning of period -**

Cash - unrestricted	51,167
Interest-bearing deposits - unrestricted	188,102
Cash - restricted	208,896
Interest-bearing deposits - restricted	38,483
Less: Interest-bearing deposits with a maturity over three months	<u>(136,422)</u>
Total cash and cash equivalents	<u>350,226</u>

**Cash and cash equivalents, end of period -**

Cash - unrestricted	72,180
Interest-bearing deposits - unrestricted	190,575
Cash - restricted	116,574
Interest-bearing deposits - restricted	39,702
Less: Interest-bearing deposits with a maturity over three months	<u>(139,273)</u>
Total cash and cash equivalents	<u>279,758</u>

Net decrease	<u>\$ (70,468)</u>
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The accompanying notes are an integral part of the basic financial statements.

## TOWN OF PORT BARRE, LOUISIANA

### Notes to Basic Financial Statements

#### (1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Port Barre (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

##### A Financial Reporting Entity

The Town of Port Barre was incorporated under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government.

This report includes all funds that are controlled by or dependent on the Town executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

There are no component units over which the Town exercises significant influence.

##### B. Basis of Presentation

###### Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

## **TOWN OF PORT BARRE, LOUISIANA**

### **Notes to Basic Financial Statements (Continued)**

#### **Fund Financial Statements**

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

All funds of the Town are considered to be major funds and are described below:

#### **Governmental Funds -**

##### **General Fund**

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

##### **Special Revenue Funds**

##### **1966 Sales Tax Fund -**

The 1966 Sales Tax Fund is used to account for the receipt and use of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

## TOWN OF PORT BARRE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### 1996 Sales Tax Fund –

The 1996 Sales Tax Fund is used to account for the proceeds of a 1.2 percent sales and use tax that is legally restricted to expenditures for specific purposes.

#### Debt Service Funds

##### 1996 Sales Tax Bonds and Certificates of Indebtedness Debt Service Fund -

This fund is used to accumulate monies for payment of \$200,000 Certificates of Indebtedness and \$900,000 Sales Tax Bonds. Debt service is financed from a 1.2% sales and use tax.

##### Street Improvement Bonds 01/01/87 Fund –

This fund is used to accumulate monies for payment of the \$125,000 Public Improvement serial bonds. Debt service is financed by specified ad valorem tax.

#### Proprietary Fund -

#### Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town of Port Barre's enterprise fund is the Utility Fund.

#### C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

#### Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

## TOWN OF PORT BARRE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

#### Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

## TOWN OF PORT BARRE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### D. Assets, Liabilities and Equity

##### Cash and interest-bearing deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town. For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

##### Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

##### Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers' utility receivables was \$97,573 at September 30, 2006. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

##### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$1,000 or more for capitalizing capital assets.



## TOWN OF PORT BARRE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to October 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Equipment	5-15 years
Utility system and improvements	4-50 years
Infrastructure	20-40 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

#### Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts and utility meter deposits.

#### Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of the revenue bonds payable and utility meter deposits payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

## TOWN OF PORT BARRE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. Sick leave is accumulated by employees at a rate dependent upon number of years of employment. Although sick leave is available for employees when needed, it does not vest nor is it payable at termination of employment. Therefore, no liability has been recorded in the accounts as of September 30, 2006.

#### Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

#### E. Revenues, Expenditures, and Expenses

##### Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

## TOWN OF PORT BARRE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:  
Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

#### Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

#### F. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales Tax	See Note 3
Water and Sewer Revenue	Debt Service and Utility Operations

The Town uses unrestricted resources only when restricted resources are fully depleted.

#### G. Budget and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 15, the Town Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1.

## TOWN OF PORT BARRE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

#### H. Capitalization of Interest Expense

It is the policy of the Town of Port Barre to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At September 30, 2006, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

#### I. Bond Discount and Bond Issue Costs

Bond discount and bond issue costs are being amortized by the straight-line method over the life of the related bond.

#### J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

## TOWN OF PORT BARRE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### (2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of St. Landry Parish. Town property tax revenues are budgeted in the year billed.

For the year ended September 30, 2006, taxes of 6.65 mills were levied on property with assessed valuations totaling \$5,529,750 and were dedicated as follows:

General corporate purposes	6.65 mills
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Total taxes levied were \$36,773. Taxes receivable (including interest and penalties receivable) at September 30, 2006 consisted of the following:

Total receivable	\$11,990
Allowance for uncollectibles	<u>(2,689)</u>
Net receivable	<u>\$ 9,301</u>

#### (3) Dedication and Restriction of Proceeds and Flow of Funds - Sales and Use Taxes

The Town levies two sales taxes as follows:

- A. Proceeds of a 1966 1% sales and use tax levied by the Town of Port Barre (2006 collections \$195,643) is dedicated for constructing, acquiring, extending, improving and/or maintaining drainage facilities, sewers and sewerage disposal works, streets, sidewalks, waterworks, and garbage collection and disposal facilities of the Town, including the purchase of equipment therefor.

Under the terms of the bond resolution, the proceeds of the special 1% sales and use tax are deposited with the Town's fiscal agent bank in a sales tax fund. After the payment of all reasonable and necessary costs and expenses of collecting the tax, \$1,000 is retained in the sales tax fund for operating expenses.

Any monies remaining in the sales tax fund on the 20th day of each month in excess of the \$1,000 are to be retained for operating capital shall be considered as surplus. The Town may use such surplus for any of the purposes for which the imposition of the tax is authorized.

## TOWN OF PORT BARRE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

- B. Proceeds of a 1996 1.2% sales and use tax levied by the Town of Port Barre (2006 collections \$239,119) is dedicated for constructing, maintaining and improving public streets.

Under the terms of the bond resolution, each month, there will be set aside into an account called the "Sales Tax Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments. There shall also be set aside into a "Sales Tax Bond Reserve Fund" an initial deposit of \$79,425, thus accumulating in the reserve account an amount equal to the lesser of the highest combined principal and interest requirements in any succeeding fiscal year. Such amounts may be used only for the payment of maturing bonds and interest on the aforesaid bonds for which sufficient funds are not on deposit in the Revenue Bond Sinking Fund and as to which there would otherwise be default.

#### (4) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At September 30, 2006, the Town had cash and interest-bearing deposits (book balances) totaling \$1,244,947 as follows:

Demand deposits (non interest-bearing)	\$ 725,143
Interest-bearing demand deposits and savings accounts	109,702
Time deposits	<u>410,102</u>
Total	<u>\$ 1,244,947</u>

These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. Under state law, deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Town or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

**TOWN OF PORT BARRE, LOUISIANA**  
**Notes to Basic Financial Statements (Continued)**

Deposit balances (bank balances) at September 30, 2006 were secured as follows:

Bank balances	<u>\$1,451,266</u>
Federal deposit insurance	\$ 423,583
Pledged securities	<u>1,027,683</u>
Total FDIC insurance and pledged securities	<u>\$1,451,266</u>

As of September 30, 2006, the Town's total bank balances were fully insured and collateralized with securities held in the name of the Town by the pledging financial institution's agent and, therefore, not exposed to custodial credit risk.

(5) Receivables

Receivables at September 30, 2006 of \$139,864 consist of the following:

	<u>General Fund</u>	<u>Utility Fund</u>	<u>Total</u>
Accounts	\$ -	\$ 97,792	\$ 97,792
Taxes:			
Ad valorem taxes	9,301	-	9,301
Franchise taxes	<u>32,771</u>	<u>-</u>	<u>32,771</u>
Totals	<u>\$ 42,072</u>	<u>\$ 97,792</u>	<u>\$ 139,864</u>

(6) Due from Other Governmental Units

The total amount due from other governmental units at September 30, 2006 is \$100,518 which consists of \$3,991 and \$2,478 owed from the State of Louisiana for video poker and beer tax revenue, respectively, \$1,635 for housing authority revenue, \$7,638 for casino revenue, and \$84,776 for grant revenue earned during the fiscal year ending September 30, 2006.

(7) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at September 30, 2006:

Revenue bond and interest sinking account	\$ 21,569
Revenue bond reserve account	25,535
Revenue bond contingency account	39,157
Customers' deposits	<u>70,015</u>
Total restricted assets	<u>\$156,276</u>

# TOWN OF PORT BARRE, LOUISIANA

## Notes to Basic Financial Statements (Continued)

### (8) Capital Assets

Capital asset activity for the year ended September 30, 2006 was as follows:

	Balance 10/01/05	Additions	Deletions	Balance 09/30/06
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 86,425	\$ -	\$ -	\$ 86,425
Construction in progress	15,125	-	15,125	-
Other capital assets:				
Buildings	1,127,391	361,325	-	1,488,716
Infrastructure	834,870	-	1,746	833,124
Equipment	326,245	52,609	45,653	333,201
Totals	<u>2,390,056</u>	<u>413,934</u>	<u>62,524</u>	<u>2,741,466</u>
Less accumulated depreciation:				
Buildings	621,940	27,863	-	649,803
Infrastructure	466,616	20,908	-	487,524
Equipment	153,293	47,994	39,358	161,929
Total accumulated depreciation	<u>1,241,849</u>	<u>96,765</u>	<u>39,358</u>	<u>1,299,256</u>
Governmental activities, capital assets, net	<u>\$ 1,148,207</u>	<u>\$ 317,169</u>	<u>\$ 23,166</u>	<u>\$ 1,442,210</u>
Business-type activities:				
Capital assets not being depreciated:				
Land - sewer system	\$ 15,292	\$ -	\$ -	\$ 15,292
Construction in progress	-	218,182	-	218,182
Other capital assets:				
Gas system	789,697	-	-	789,697
Water system	1,189,589	-	-	1,189,589
Sewer system	4,754,829	-	-	4,754,829
Machinery and equipment	108,236	9,882	8,585	109,533
Totals	<u>6,857,643</u>	<u>228,064</u>	<u>8,585</u>	<u>7,077,122</u>
Less accumulated depreciation:				
Gas system	507,769	10,589	-	518,358
Water system	575,831	21,191	-	597,022
Sewer system	1,227,345	99,996	-	1,327,341
Machinery and equipment	93,039	5,098	8,585	89,552
Total accumulated depreciation	<u>2,403,984</u>	<u>136,874</u>	<u>8,585</u>	<u>2,532,273</u>
Business-type activities, capital assets, net	<u>\$ 4,453,659</u>	<u>\$ 91,190</u>	<u>\$ -</u>	<u>\$ 4,544,849</u>

Construction in progress in the amount of \$218,182 consists of engineering and construction costs incurred to date for a water tower project.



# TOWN OF PORT BARRE, LOUISIANA

## Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 37,584
Police	27,767
Streets	28,937
Culture and recreation	2,477
Total depreciation expense	<u>\$ 96,765</u>

Depreciation expense was charged to business-type activities as follows:

Gas	\$ 15,687
Water	21,191
Sewer	99,996
Total depreciation expense	<u>\$136,874</u>

### (9) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at September 30, 2006:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$ 20,476	\$ 23,648	\$ 44,124
Contracts	65,479	4,673	70,152
Retainages	23,445	20,250	43,695
Other liabilities	238	82	320
Totals	<u>\$109,638</u>	<u>\$ 48,653</u>	<u>\$158,291</u>

### (10) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2006:

	Governmental Activities	Business-type Activities
	General Obligation Bonds and Certificates	Capital Lease Revenue Bonds
Long-term debt payable, October 1, 2005	\$ 670,000	\$ 66,275
Long-term debt issued	-	34,925
Long-term debt retired	(60,000)	(44,907)
Long-term debt payable, September 30, 2006	<u>\$ 610,000</u>	<u>\$ 56,293</u>

# TOWN OF PORT BARRE, LOUISIANA

## Notes to Basic Financial Statements (Continued)

Long-term debt payable at September 30, 2006 is comprised of the following individual issues:

### General obligation bonds and certificates of indebtedness:

\$900,000 Sales Tax Bonds, Series 1996; due in annual installments of \$40,000 to \$75,000 through May 1, 2017; interest at 5.2 to 5.9 percent; secured by a dedicated 1.2% sales tax	<u>\$610,000</u>
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### Capital lease:

\$63,660 equipment lease dated February 27, 2004, due in monthly installments of \$1,907, including interest at 5.25%, through January 27, 2007, secured by General Fund revenues	\$ 7,546
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\$48,219 equipment lease dated December 16, 2004, due in monthly installments of \$1,452, including interest at 5.30%, through November 16, 2007, secured by General Fund revenues	19,089
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\$34,925 equipment lease dated March 29, 2006, due in monthly installments of \$1,092, including interest at 7.85%, through February 29, 2009, secured by General Fund revenues	<u>29,658</u>
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Total capital lease payable	<u>\$56,293</u>
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\$103,000 Utility Revenue Bonds, Series 1998 dated 11/30/98 due in annual installments of \$16,000 through December 1, 2006; interest at 5.0 percent	\$ 16,000
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Less: Unamortized bond issuance costs	(62)
Unamortized loss on early retirement of debt	<u>(2,600)</u>

Net water revenue bonds payable	<u>13,338</u>
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\$652,000 Sewer revenue bonds dated 07/01/98 due in monthly installments of \$2,960 beginning August 1, 1999 through July 1, 2038; interest rate at 4.5 percent	599,840
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Less: Unamortized bond issuance costs	<u>(23,462)</u>
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Net sewer revenue bonds payable	<u>576,378</u>
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Total net utility revenue bonds payable	<u>\$589,716</u>
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**TOWN OF PORT BARRE, LOUISIANA**

**Notes to Basic Financial Statements (Continued)**

The long-term debt is due as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal payments</u>	<u>Interest payments</u>	<u>Principal payments</u>	<u>Interest payments</u>
2007	\$ 73,490	\$ 37,886	\$ 24,706	\$ 27,215
2008	56,398	34,111	9,106	26,415
2009	51,405	30,417	9,525	25,996
2010	50,000	28,350	9,962	25,559
2011	50,000	25,500	10,420	23,001
2012-2016	310,000	78,855	59,734	117,871
2017-2021	75,000	4,425	74,775	102,830
2022-2026	-	-	93,603	84,002
2027-2031	-	-	117,172	60,433
2032-2036	-	-	146,675	30,929
2037-2038	-	-	60,162	2,534
Total	<u>\$ 666,293</u>	<u>\$ 239,544</u>	<u>\$ 615,840</u>	<u>\$ 526,785</u>

**(11) Flow of Funds: Restrictions on Use - Utilities Revenues**

Under the terms of the bond indenture on outstanding Utility Revenue Refunding Bonds, Series 1999, dated November 30, 1999, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Utility System, are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Each month, there will be set aside into a fund called the "Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

There shall also be set aside into a "Bond Reserve Fund" the initial sum of \$10,000. The money in the Reserve Fund shall be retained solely for the purpose of paying the principal and interest on the bonds payable from the Sinking Fund as to which there would otherwise be default.

## TOWN OF PORT BARRE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

There shall also be set aside into a "Renewal and Replacement Fund" the initial sum of \$25,000. Thereafter, each month, a sum at least equal to 5% of the gross revenues of the Utilities System Fund for the preceding month shall be deposited into this fund, provided that such sum is available after provision is made for the funds required to pay all reasonable expenses of administration, operation and maintenance of the utility system and the funds required by the Sinking Fund and Reserve Fund. Money in this fund may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense, provided that there remains at least \$20,000 on deposit for emergency repairs. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

#### (12) Employee Retirement

All Town of Port Barre employees participate in the Social Security System. The Town and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the Town, 7.65% by the employee). The Town's contribution during the years ended September 30, 2006, 2005 and 2004 amounted to \$60,439, \$54,424, and \$49,642, respectively.

#### (13) Natural Gas Contract

The Town entered into a gas purchase contract with Cypress Gas Pipeline Company with an initial term of January 1, 1992 to January 1, 1996 with provisions to continue beyond January 1, 1996 on a year-to-year basis until either party request termination of the contract. The terms of the contract require the Town to purchase all of its natural gas requirements from Cypress Gas Pipeline Company. During the year ended September 30, 2006, the Town purchased natural gas from Cypress Gas Pipeline Company in the amount of \$245,591. At September 30, 2006, the Town owed \$7,994 for natural gas purchases for the month of September 2006.

# TOWN OF PORT BARRE, LOUISIANA

## Notes to Basic Financial Statements (Continued)

### (14) Segment Information for the Enterprise Fund

The Town of Port Barre maintains one enterprise fund with three departments that provide gas, water, and sewerage services. Segment information for the year ended September 30, 2006, was as follows:

	<u>Gas Department</u>	<u>Water Department</u>	<u>Sewerage Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	<u>\$475,081</u>	<u>\$314,543</u>	<u>\$ 232,396</u>	<u>\$1,022,020</u>
Operating expenses:				
Depreciation	15,687	21,191	99,996	136,874
Other	<u>389,955</u>	<u>239,052</u>	<u>238,012</u>	<u>867,019</u>
Total operating expenses	<u>405,642</u>	<u>260,243</u>	<u>338,008</u>	<u>1,003,893</u>
Operating income (loss)	<u>\$ 69,439</u>	<u>\$ 54,300</u>	<u>\$(105,612)</u>	<u>\$ 18,127</u>

### (15) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended September 30, 2006 follows:

John Fontenot, Mayor	\$12,000
Aldermen:	
Johnny Ardoin	3,750
Richard Mobile	3,750
Polly Pickney	3,750
Gil Savoy, Jr.	3,750
Robert Soileau	<u>3,750</u>
	<u>\$30,750</u>

## TOWN OF PORT BARRE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

(16) Risk Management

The Town is exposed to risks of loss in the areas of health care, general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(17) Pending Litigation

At September 30, 2006, the Town of Port Barre is involved in several lawsuits. It is the opinion of management and legal counsel that the liability, if any, which might arise from any claims that are not covered by insurance, would not have a material effect on the financial statements.

(18) Prior Year Debt Defeasance

During the fiscal year ended September 30, 1999, the Town issued Utility Revenue Refunding Bonds of \$103,000 to defease the 1986 Utility Revenue Bonds. The proceeds have been used to purchase U.S. Government securities that were placed in a separate irrevocable trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Town's Enterprise Fund's balance sheet. As of September 30, 2006, the amount of defeased utility revenue debt outstanding but removed from the Enterprise Fund's balance sheet amounted to \$20,000.

(19) Interfund Transactions

A. Receivables and Payables

The interfund receivable and payable balances of \$24,530 at September 30, 2006 consisted of an amount due to the 1996 Sales Tax Fund from the 1966 Sales Tax fund for reimbursement of expenditures paid.

**TOWN OF PORT BARRE, LOUISIANA**  
**Notes to Basic Financial Statements (Continued)**

**B. Transfers**

Transfers consisted of the following at September 30, 2006:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Governmental Funds:</b>		
General Fund	\$ 14,770	\$ -
1966 Sales Tax Special Revenue Fund	55,687	-
1996 Sales Tax Special Revenue Fund	-	151,257
1996 Sales Tax Bonds and Certificates of Indebtedness Debt Service Fund	101,257	-
Street Improvement Bonds 01/01/87 Debt Service Fund	-	5,687
<b>Proprietary Fund:</b>		
Enterprise Fund	-	14,770
<b>Total</b>	<u>\$ 171,714</u>	<u>\$ 171,714</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**REQUIRED  
SUPPLEMENTARY INFORMATION**



**TOWN OF PORT BARRE, LOUISIANA**  
**General Fund**

**Budgetary Comparison Schedule**  
**Year Ended September 30, 2006**

	<b>Budget</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ 128,600	\$ 152,800	\$ 158,089	\$ 5,289
Licenses and permits	64,770	65,470	65,544	74
Intergovernmental	76,100	379,853	379,996	143
Fines and forfeits	575,000	717,850	750,266	32,416
Miscellaneous	80,600	81,220	88,088	6,868
Total revenues	<u>925,070</u>	<u>1,397,193</u>	<u>1,441,983</u>	<u>44,790</u>
<b>Expenditures:</b>				
Current -				
General government	88,902	94,603	88,076	6,527
Public safety - police	682,701	725,893	759,025	(33,132)
Culture and recreation	23,627	31,447	29,160	2,287
Capital outlay	72,000	395,329	398,809	(3,480)
Debt service:				
Principal retirement	21,858	42,982	44,907	(1,925)
Interest and fiscal charges	974	3,881	3,881	-
Total expenditures	<u>890,062</u>	<u>1,294,135</u>	<u>1,323,858</u>	<u>(29,723)</u>
Excess of revenues over expenditures	<u>35,008</u>	<u>103,058</u>	<u>118,125</u>	<u>15,067</u>
<b>Other financing sources:</b>				
Proceeds from capital lease	-	34,925	34,925	-
Transfers in	-	-	14,770	14,770
Total other financing sources	<u>-</u>	<u>34,925</u>	<u>49,695</u>	<u>14,770</u>
Excess of revenues and other financing sources over expenditures	<u>35,008</u>	<u>137,983</u>	<u>167,820</u>	<u>29,837</u>
Fund balance, beginning	<u>302,821</u>	<u>302,821</u>	<u>302,821</u>	<u>-</u>
Fund balance, ending	<u>\$337,829</u>	<u>\$ 440,804</u>	<u>\$ 470,641</u>	<u>\$ 29,837</u>

**TOWN OF PORT BARRE, LOUISIANA**  
**1966 Sales Tax Special Revenue Fund**

**Budgetary Comparison Schedule**  
**Year Ended September 30, 2006**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	<u>\$176,000</u>	<u>\$193,579</u>	<u>\$195,643</u>	<u>\$ 2,064</u>
<b>Expenditures:</b>				
Current -				
General government:				
Professional fees	4,000	4,500	4,885	(385)
Miscellaneous	<u>1,800</u>	<u>1,936</u>	<u>3,913</u>	<u>(1,977)</u>
Total general government	<u>5,800</u>	<u>6,436</u>	<u>8,798</u>	<u>(2,362)</u>
Highways and streets:				
Salaries	108,932	121,000	118,964	2,036
Electricity for street lights	6,400	-	-	-
Maintenance and materials	28,000	49,820	54,642	(4,822)
Street materials and supplies	8,600	18,500	18,465	35
Group insurance	14,128	17,366	15,894	1,472
Payroll taxes	8,600	9,765	9,848	(83)
Miscellaneous	<u>5,000</u>	<u>3,100</u>	<u>3,100</u>	<u>-</u>
Total highways and streets	<u>179,660</u>	<u>219,551</u>	<u>220,913</u>	<u>(1,362)</u>
Culture and recreation	<u>-</u>	<u>6,200</u>	<u>5,307</u>	<u>893</u>
Total expenditures	<u>185,460</u>	<u>232,187</u>	<u>235,018</u>	<u>(2,831)</u>
Deficiency of revenues over expenditures	(9,460)	(38,608)	(39,375)	(767)
<b>Other financing sources:</b>				
Transfers in	<u>30,000</u>	<u>55,687</u>	<u>55,687</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures	20,540	17,079	16,312	(767)
Fund balance, beginning	<u>63,111</u>	<u>63,111</u>	<u>63,111</u>	<u>-</u>
Fund balance, ending	<u>\$ 83,651</u>	<u>\$ 80,190</u>	<u>\$ 79,423</u>	<u>\$ (767)</u>

TOWN OF PORT BARRE, LOUISIANA  
1996 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
Year Ended September 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 213,500	\$ 236,596	\$ 239,119	\$ 2,523
Interest	<u>70</u>	<u>61</u>	<u>55</u>	<u>(6)</u>
Total revenues	<u>\$ 213,570</u>	<u>\$ 236,657</u>	<u>\$ 239,174</u>	<u>\$ 2,517</u>
<b>Expenditures:</b>				
Current -				
General government:				
Professional fees	4,000	4,500	4,515	(15)
Miscellaneous	<u>2,150</u>	<u>2,366</u>	<u>2,391</u>	<u>(25)</u>
Total general government	<u>6,150</u>	<u>6,866</u>	<u>6,906</u>	<u>(40)</u>
Highways and streets:				
Electricity for lights	18,000	31,120	30,235	885
Street materials and supplies	<u>7,000</u>	<u>5,315</u>	<u>5,315</u>	<u>-</u>
Total highways and streets	<u>25,000</u>	<u>36,435</u>	<u>35,550</u>	<u>885</u>
Capital outlay				
Street improvements	<u>-</u>	<u>6,457</u>	<u>-</u>	<u>6,457</u>
Total expenditures	<u>31,150</u>	<u>49,758</u>	<u>42,456</u>	<u>7,302</u>
Excess of revenues over expenditures	182,420	186,899	196,718	9,819
<b>Other financing uses:</b>				
Transfers out	<u>(130,000)</u>	<u>(149,690)</u>	<u>(151,257)</u>	<u>1,567</u>
Excess of revenues over expenditures and other financing uses	52,420	37,209	45,461	8,252
<b>Fund balance, beginning</b>	<u>131,587</u>	<u>131,587</u>	<u>131,587</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 184,007</u>	<u>\$ 168,796</u>	<u>\$ 177,048</u>	<u>\$ 8,252</u>

## **OTHER SUPPLEMENTARY INFORMATION**

## **OTHER FINANCIAL INFORMATION**

**TOWN OF PORT BARRE, LOUISIANA**

**Statement of Net Assets  
September 30, 2006  
With Comparative Totals for September 30, 2005**

	2006			2005
	Governmental Activities	Business-Type Activities	Total	Totals
<b>ASSETS</b>				
Current assets:				
Cash and interest-bearing deposits	\$ 825,916	\$ 262,755	\$1,088,671	\$ 911,547
Receivables, net	42,072	97,792	139,864	118,717
Due from other governmental units	100,518	-	100,518	11,149
Total current assets	<u>968,506</u>	<u>360,547</u>	<u>1,329,053</u>	<u>1,041,413</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	-	156,276	156,276	247,379
Capital assets:				
Land and construction in progress	86,425	15,292	101,717	116,842
Other capital assets, net	<u>1,355,785</u>	<u>4,311,375</u>	<u>5,667,160</u>	<u>5,485,024</u>
Total noncurrent assets	<u>1,442,210</u>	<u>4,482,943</u>	<u>5,925,153</u>	<u>5,849,245</u>
Total assets	<u>2,410,716</u>	<u>4,843,490</u>	<u>7,254,206</u>	<u>6,890,658</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts, salaries and other payables	109,638	48,653	158,291	58,920
Capital lease payable	35,425	-	35,425	37,704
Bonds and certificates payable	40,000	24,706	64,706	103,563
Accrued interest	<u>14,654</u>	<u>2,516</u>	<u>17,170</u>	<u>18,800</u>
Total current liabilities	<u>199,717</u>	<u>75,875</u>	<u>275,592</u>	<u>218,987</u>
Noncurrent liabilities:				
Customers' deposits	-	70,015	70,015	63,035
Capital lease payable	20,868	-	20,868	28,571
Bonds and certificates payable	<u>570,000</u>	<u>565,010</u>	<u>1,135,010</u>	<u>1,178,680</u>
Total noncurrent liabilities	<u>590,868</u>	<u>635,025</u>	<u>1,225,893</u>	<u>1,270,286</u>
Total liabilities	<u>790,585</u>	<u>710,900</u>	<u>1,501,485</u>	<u>1,489,273</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	775,917	3,746,365	4,522,282	4,281,619
Restricted for debt service	115,770	59,039	174,809	257,313
Unrestricted	<u>728,444</u>	<u>327,186</u>	<u>1,055,630</u>	<u>862,453</u>
Total net assets	<u>\$1,620,131</u>	<u>\$4,132,590</u>	<u>\$5,752,721</u>	<u>\$5,401,385</u>

TOWN OF PORT BARRE, LOUISIANA

Comparative Balance Sheet  
General and Special Revenue Funds  
September 30, 2006 and 2005

	General		1966 Sales Tax Special Revenue		1996 Sales Tax Special Revenue	
	2006	2005	2006	2005	2006	2005
<b>ASSETS</b>						
Cash and interest-bearing deposits						
Receivables:						
Taxes	42,072	39,614	-	-	-	-
Due from other funds	-	9,381	-	58,482	24,530	-
Due from other governmental units	100,518	11,149	-	-	-	-
Total assets	<u>\$573,681</u>	<u>\$341,748</u>	<u>\$107,628</u>	<u>\$124,847</u>	<u>\$179,971</u>	<u>\$196,024</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 13,878	\$ 15,313	\$ 3,675	\$ 462	\$ 2,923	\$ 3,717
Contracts and retainage payable	88,924	-	-	-	-	-
Accrued liabilities	238	124	-	-	-	-
Due to other funds	-	23,490	24,530	61,274	-	60,720
Total liabilities	103,040	38,927	28,205	61,736	2,923	64,437
Fund balances -						
Unreserved	470,641	302,821	79,423	63,111	177,048	131,587
Total liabilities and fund balances	<u>\$573,681</u>	<u>\$341,748</u>	<u>\$107,628</u>	<u>\$124,847</u>	<u>\$179,971</u>	<u>\$196,024</u>

**TOWN OF PORT BARRE, LOUISIANA**  
**General Fund**

**Budgetary Comparison Schedule - Revenues**  
**Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	2006				
	Budget			Variance with Final Budget Positive (Negative)	2005 Actual
	Original	Final	Actual		
<b>Taxes:</b>					
Ad valorem	\$ 35,500	\$ 36,500	\$ 37,205	\$ 705	\$ 42,006
Interest and penalties on taxes	-	2,800	739	(2,061)	2,610
Franchise -					
Electric and cable TV	93,100	113,500	120,145	6,645	93,034
Total taxes	128,600	152,800	158,089	5,289	137,650
<b>Licenses and permits:</b>					
Occupational licenses	59,500	60,585	60,624	39	59,313
Liquor licenses	5,200	4,605	4,605	-	5,210
Building permits	70	280	315	35	-
Total licenses and permits	64,770	65,470	65,544	74	64,523
<b>Intergovernmental:</b>					
FEMA-Hurricane Katrina	-	1,518	1,518	-	14,514
Federal grants					15,291
State of Louisiana -					
Beer taxes	7,400	8,100	8,641	541	10,116
Video poker	28,900	26,300	23,129	(3,171)	24,329
Casino revenue	38,500	49,500	50,637	1,137	38,044
State grants	-	293,249	293,249	-	-
St. Landry Parish Housing Authority	1,300	1,186	2,822	1,636	-
Total intergovernmental	76,100	379,853	379,996	143	102,294
<b>Fines and forfeits</b>	<b>575,000</b>	<b>717,850</b>	<b>750,266</b>	<b>32,416</b>	<b>667,471</b>
<b>Miscellaneous:</b>					
Rent	69,600	70,200	70,150	(50)	68,340
Parks and recreation	5,000	9,600	8,161	(1,439)	4,706
Sale of equipment	6,000	1,300	901	(399)	8,000
Donations	-	-	-	-	6,000
Other	-	120	8,876	8,756	474
Total miscellaneous	80,600	81,220	88,088	6,868	87,520
<b>Total revenues</b>	<b>\$925,070</b>	<b>\$1,397,193</b>	<b>\$1,441,983</b>	<b>\$44,790</b>	<b>\$1,059,458</b>



**TOWN OF PORT BARRE, LOUISIANA**  
**General Fund**

**Budgetary Comparison Schedule - Expenditures**  
**Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	2006			Variance with	
	Budget			Final Budget	2005
	Original	Final	Actual	Positive (Negative)	Actual
Current:					
General government -					
Advertising	\$ 1,700	\$ 2,000	\$ 2,077	\$ (77)	\$ 1,332
Dues and subscriptions	2,300	2,500	2,715	(215)	2,172
Insurance	3,000	2,703	2,915	(212)	2,334
Legal fees	1,200	1,200	1,200	-	1,200
Mayor's allowance	6,000	6,000	6,000	-	6,000
Medical and drug testing	-	-	784	(784)	897
Miscellaneous	4,500	520	602	(82)	8,484
Payroll taxes	2,352	2,410	2,410	-	2,295
Professional fees	20,000	23,700	18,347	5,353	21,449
Salaries - mayor and council	30,750	30,750	31,500	(750)	30,750
Travel and meetings	6,800	8,220	8,361	(141)	6,767
Preparation of tax roll	3,000	3,100	3,322	(222)	2,788
Repairs and maintenance	2,000	620	620	-	3,310
Coroner's fees	800	5,700	2,220	3,480	1,745
Electricity	4,500	5,180	5,003	177	3,702
Total general government	88,902	94,603	88,076	6,527	95,225
Public safety - police -					
Feeding prisoners	16,500	17,250	17,003	247	15,744
Drug enforcement	-	-	4,489	(4,489)	-
Insurance	12,200	11,713	11,854	(141)	10,893
Insurance deductible	3,000	3,000	2,000	1,000	2,000
Group insurance	54,747	48,300	43,857	4,443	50,082
Miscellaneous	13,500	9,500	10,249	(749)	14,970
Police car expense	43,800	53,200	64,960	(11,760)	44,427
Salaries	438,554	452,500	447,272	5,228	389,473
Payroll taxes	33,400	36,250	37,313	(1,063)	32,602
Supplies	18,500	27,425	53,387	(25,962)	27,031
Repairs and maintenance	12,500	21,300	20,617	683	18,801
Uniforms	5,000	10,900	10,864	36	7,370
Training academy	2,000	2,030	1,492	538	2,676
Travel and meetings	-	-	530	(530)	-
Telephone	15,000	19,875	22,027	(2,152)	14,715
Electricity	6,000	3,800	3,661	139	5,099
Medical and drug testing	8,000	8,850	7,450	1,400	9,112
Total public safety	682,701	725,893	759,025	(33,132)	644,995

**TOWN OF PORT BARRE, LOUISIANA**  
**General Fund**

**Budgetary Comparison Schedule - Expenditures (Continued)**  
**Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	2006			Variance with Final Budget Positive (Negative)	2005 Actual
	Budget		Actual		
	Original	Final			
Culture and recreation -					
Salaries	7,827	7,827	7,827	-	7,661
Park expenses	9,000	9,370	8,906	464	7,242
Electricity for parks	6,800	14,250	12,427	1,823	5,136
Total culture and recreation	23,627	31,447	29,160	2,287	20,039
Capital outlay:					
General government -					
Equipment	2,000	13,938	13,084	854	1,850
Renovations	6,000	-	-	-	13,000
Public safety -					
Building renovations	-	341,866	346,200	(4,334)	-
Automobiles	54,000	34,925	34,925	-	48,219
Equipment	10,000	4,600	4,600	-	42,120
Total capital outlay	72,000	395,329	398,809	(3,480)	105,189
Debt service:					
Principal retirement	21,858	42,982	44,907	(1,925)	32,090
Interest and fiscal charges	974	3,881	3,881	-	3,856
Total debt service	22,832	46,863	48,788	(1,925)	35,946
Total expenditures	\$ 890,062	\$ 1,294,135	\$ 1,323,858	\$(29,723)	\$ 901,394

**TOWN OF PORT BARRE, LOUISIANA**  
**1966 Sales Tax Special Revenue Fund**

**Budgetary Comparison Schedule**  
**Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	2006			Variance with Final Budget Positive (Negative)	2005 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	<u>\$176,000</u>	<u>\$193,579</u>	<u>\$195,643</u>	<u>\$ 2,064</u>	<u>\$175,174</u>
Expenditures:					
Current -					
General government:					
Professional fees	4,000	4,500	4,885	(385)	3,000
Miscellaneous	<u>1,800</u>	<u>1,936</u>	<u>3,913</u>	<u>(1,977)</u>	<u>6,845</u>
Total general government	<u>5,800</u>	<u>6,436</u>	<u>8,798</u>	<u>(2,362)</u>	<u>9,845</u>
Highways and streets:					
Salaries	108,932	121,000	118,964	2,036	100,857
Electricity for street lights	6,400	-	-	-	6,251
Maintenance and materials	28,000	49,820	54,642	(4,822)	29,331
Street materials and supplies	8,600	18,500	18,465	35	5,998
Group insurance	14,128	17,366	15,894	1,472	12,951
Payroll taxes	8,600	9,765	9,848	(83)	7,992
Miscellaneous	<u>5,000</u>	<u>3,100</u>	<u>3,100</u>	<u>-</u>	<u>2,600</u>
Total highways and streets	<u>179,660</u>	<u>219,551</u>	<u>220,913</u>	<u>(1,362)</u>	<u>165,980</u>
Culture and recreation	<u>-</u>	<u>6,200</u>	<u>5,307</u>	<u>893</u>	<u>8,235</u>
Total expenditures	<u>185,460</u>	<u>232,187</u>	<u>235,018</u>	<u>(2,831)</u>	<u>184,060</u>
Deficiency of revenues over expenditures	(9,460)	(38,608)	(39,375)	(767)	(8,886)
Other financing sources:					
Transfers in	<u>30,000</u>	<u>55,687</u>	<u>55,687</u>	<u>-</u>	<u>30,000</u>
Excess of revenues and other financing sources over expenditures	20,540	17,079	16,312	(767)	21,114
Fund balance, beginning	<u>63,111</u>	<u>63,111</u>	<u>63,111</u>	<u>-</u>	<u>41,997</u>
Fund balance, ending	<u>\$ 83,651</u>	<u>\$ 80,190</u>	<u>\$ 79,423</u>	<u>\$ (767)</u>	<u>\$ 63,111</u>

**TOWN OF PORT BARRE, LOUISIANA**  
**1996 Sales Tax Special Revenue Fund**

**Budgetary Comparison Schedule**  
**Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	2006				
	Budget			Variance with Final Budget	2005
	Original	Final	Actual	Positive (Negative)	Actual
<b>Revenues:</b>					
Taxes	\$ 213,500	\$ 236,596	\$ 239,119	\$ 2,523	\$ 214,102
Interest	70	61	55	(6)	68
Total revenues	<u>\$ 213,570</u>	<u>\$ 236,657</u>	<u>\$ 239,174</u>	<u>\$ 2,517</u>	<u>\$ 214,170</u>
<b>Expenditures:</b>					
Current -					
General government:					
Professional fees	4,000	4,500	4,515	(15)	3,900
Miscellaneous	2,150	2,366	2,391	(25)	2,143
Total general government	<u>6,150</u>	<u>6,866</u>	<u>6,906</u>	<u>(40)</u>	<u>6,043</u>
Highways and streets:					
Electricity for lights	18,000	31,120	30,235	885	18,788
Street materials and supplies	7,000	5,315	5,315	-	6,974
Total highways and streets	<u>25,000</u>	<u>36,435</u>	<u>35,550</u>	<u>885</u>	<u>25,762</u>
Capital outlay					
Street improvements	-	6,457	-	6,457	-
Total expenditures	<u>31,150</u>	<u>49,758</u>	<u>42,456</u>	<u>7,302</u>	<u>31,805</u>
Excess of revenues over expenditures	182,420	186,899	196,718	9,819	182,365
<b>Other financing uses:</b>					
Transfers out	<u>(130,000)</u>	<u>(149,690)</u>	<u>(151,257)</u>	<u>1,567</u>	<u>(129,623)</u>
Excess of revenues over expenditures and other financing uses	52,420	37,209	45,461	8,252	52,742
Fund balance, beginning	<u>131,587</u>	<u>131,587</u>	<u>131,587</u>	-	<u>78,845</u>
Fund balance, ending	<u>\$ 184,007</u>	<u>\$ 168,796</u>	<u>\$ 177,048</u>	<u>\$ 8,252</u>	<u>\$ 131,587</u>

**TOWN OF PORT BARRE, LOUISIANA**  
**1996 Sales Tax Bonds and Certificates of Indebtedness Debt Service Fund**

**Budgetary Comparison Schedule**  
**Year Ended September 30, 2006**  
**With Comparative Actual Amounts for the Year Ended September 30, 2005**

	<u>2006</u>		<u>Variance with</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>	<u>2005</u>
			<u>Positive</u>	<u>Actual</u>
			<u>(Negative)</u>	
<b>Revenues:</b>				
Miscellaneous -				
Interest on deposits	<u>\$ 794</u>	<u>\$ 819</u>	<u>\$ 25</u>	<u>\$ 704</u>
<b>Expenditures:</b>				
Debt service -				
Principal retirement	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Interest	<u>38,365</u>	<u>38,365</u>	<u>-</u>	<u>41,525</u>
Paying agents' fees	<u>1,600</u>	<u>1,600</u>	<u>-</u>	<u>1,600</u>
Total debt service	<u>99,965</u>	<u>99,965</u>	<u>-</u>	<u>103,125</u>
Deficiency of revenues				
over expenditures	<u>(99,171)</u>	<u>(99,146)</u>	<u>25</u>	<u>(102,421)</u>
<b>Other financing sources:</b>				
Transfers from 1996 Sales Tax Fund	<u>99,690</u>	<u>101,257</u>	<u>\$ 1,567</u>	<u>99,623</u>
Excess of revenues and other				
financing sources over expenditures	<u>519</u>	<u>2,111</u>	<u>1,592</u>	<u>(2,798)</u>
Fund balance, beginning	<u>129,645</u>	<u>129,645</u>	<u>-</u>	<u>132,443</u>
Fund balance, ending	<u>\$ 130,164</u>	<u>\$ 131,756</u>	<u>\$ 1,592</u>	<u>\$ 129,645</u>

TOWN OF PORT BARRE, LOUISIANA  
Street Improvement Bond 01/01/87 Debt Service Fund

Budgetary Comparison Schedule  
Year Ended September 30, 2006  
With Comparative Actual Amounts for the Year Ended September 30, 2005

	2006		Variance with Final Budget Positive (Negative)	2005 Actual
	<u>Budget</u>	<u>Actual</u>		
Revenues - ad valorem taxes	\$ -	\$ -	\$ -	\$ 18
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	-	-	18
Other financing uses:				
Transfers out	<u>(5,687)</u>	<u>(5,687)</u>	<u>-</u>	<u>(65,022)</u>
Deficiency of revenues over expenditures and other financing uses	(5,687)	(5,687)	-	(65,004)
Fund balance, beginning	<u>5,687</u>	<u>5,687</u>	<u>-</u>	<u>70,691</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,687</u>

TOWN OF PORT BARRE, LOUISIANA  
Enterprise Fund  
Utility Fund

Schedule of Number of Utility Customers  
(Unaudited)  
September 30, 2006 and 2005

Records maintained by the Town indicated the following number of customers were being served during the month of September, 2006 and 2005:

<u>Department</u>	<u>2006</u>	<u>2005</u>
Gas (metered)	585	590
Water (metered)	1,233	1,221
Sewerage	681	743

**TOWN OF PORT BARRE, LOUISIANA**

**Schedule of Insurance in Force  
(Unaudited)  
September 30, 2006**

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
<b>Workmen's Compensation -</b>	
<b>Employer's liability</b>	
Each occurrence	\$ 100,000
Aggregate	500,000
<b>Surety Bonds -</b>	
Town clerk	36,000
Assistant town clerk	36,000
Town Treasurer	5,000
Blanket bond	5,000
<b>General liability -</b>	
Each occurrence	500,000
Aggregate	500,000
<b>Business automobile liability -</b>	
Each occurrence	500,000
Aggregate	500,000
<b>Property coverage -</b>	
Fire and light, extended coverage, vandalism and malicious mischief	653,319
<b>Equipment breakdown coverage</b>	675,700
<b>Public official errors and omissions</b>	
Each wrongful act	500,000
Aggregate	1,000,000
<b>Police professional liability -</b>	
Each occurrence	500,000
Aggregate	500,000
<b>Commercial automobile coverage</b>	258,113
Aggregate	1,000,000



# TOWN OF PORT BARRE, LOUISIANA

## Combined Schedule of Interest-Bearing Deposits - All Funds September 30, 2006

	<u>Financial Institution</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
General Fund:				
Certificate of deposit	(A)	03/09/07	2.15%	<u>195,944</u>
Debt Service Funds:				
1996 Sales Tax Bonds Fund - checking account	(A)	N/A	Variable	<u>89,197</u>
Special Revenue Fund				
Road Repair checking account	(A)	N/A	Variable	<u>4,386</u>
Utility Fund:				
Unrestricted assets -				
Certificate of deposit	(A)	10/28/06	1.30%	20,441
Certificate of deposit	(A)	11/27/06	1.30%	54,444
Certificate of deposit	(A)	11/27/06	2.10%	115,690
Restricted assets -				
Certificate of deposit	(S)	01/16/07	3.55%	23,583
Savings accounts	(A)	N/A	Variable	<u>16,119</u>
Total Utility Fund				<u>230,277</u>
Total - all funds				<u>\$ 519,804</u>

### Investments with:

- (A) American Bank and Trust, Opelousas, Louisiana
- (S) St. Landry Homestead, Opelousas, Louisiana

TOWN OF PORT BARRE, LOUISIANA

Comparative Statement of Net Assets  
Proprietary Fund  
September 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 72,180	\$ 51,167
Interest-bearing deposits, at cost	190,575	188,102
Receivables:		
Accounts receivable	97,792	79,103
Due from other funds	<u>-</u>	<u>70,574</u>
Total current assets	<u>360,547</u>	<u>388,946</u>
Noncurrent assets:		
Restricted assets:		
Cash	116,574	208,896
Interest -bearing deposits, at cost	39,702	38,483
Capital assets:		
Land	15,292	15,292
Construction in progress	218,182	-
Other capital assets, net of accumulated depreciation	<u>4,311,375</u>	<u>4,438,367</u>
Total noncurrent assets	<u>4,701,125</u>	<u>4,701,038</u>
Total assets	<u>5,061,672</u>	<u>5,089,984</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	23,648	39,224
Other liabilities	82	80
Contracts payable	4,673	-
Retainage payable	20,250	-
Payable from restricted assets -		
Revenue bonds	24,706	43,563
Accrued interest	<u>2,516</u>	<u>2,814</u>
Total current liabilities	<u>75,875</u>	<u>85,681</u>
Noncurrent liabilities:		
Customers' deposits	70,015	63,035
Revenue bonds and notes payable	<u>565,010</u>	<u>568,680</u>
Total noncurrent liabilities	<u>635,025</u>	<u>631,715</u>
Total liabilities	<u>710,900</u>	<u>717,396</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	3,761,657	3,884,979
Restricted for debt service	59,039	137,967
Unrestricted	<u>530,076</u>	<u>349,642</u>
Total net assets	<u>\$4,350,772</u>	<u>\$4,372,588</u>

TOWN OF PORT BARRE, LOUISIANA  
Enterprise Fund  
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses  
Years Ended September 30, 2006 and 2005

	Totals		Gas	
	2006	2005	2006	2005
Operating revenues:				
Charges for services -				
User charges	\$ 986,086	\$ 824,621	\$ 464,849	\$ 349,017
Connection charges	6,700	5,950	-	300
Miscellaneous	29,234	24,329	10,232	10,218
Total operating revenues	<u>1,022,020</u>	<u>854,900</u>	<u>475,081</u>	<u>359,535</u>
Operating expenses:				
Professional fees	8,480	9,605	-	-
Engineering fees	1,500	2,245	1,200	1,200
Depreciation	136,874	134,229	15,687	13,542
Electricity	103,959	81,049	-	-
Natural gas purchased	245,591	192,475	245,591	192,475
Insurance	73,536	71,271	15,758	15,272
Group insurance	21,781	21,192	7,623	6,358
Office supplies and expense	17,834	15,732	-	-
Operative maintenance and supplies	80,079	85,285	8,008	9,531
Payroll taxes	12,399	11,144	4,550	3,291
Salaries	161,607	144,846	56,564	39,960
Contract labor	17,880	14,300	-	-
Truck expenses	17,775	12,877	-	-
Water and sewer chemicals	56,799	43,419	-	-
Telephone	1,905	2,270	839	1,001
Bad debts expense (recoveries)	3,773	-	1,789	-
Uniforms	2,503	3,709	-	-
Miscellaneous	39,618	31,494	9,449	5,424
Allocation of general and administrative expense	-	-	38,584	35,163
Total operating expenses	<u>1,003,893</u>	<u>877,142</u>	<u>405,642</u>	<u>323,217</u>
Operating income (loss)	<u>18,127</u>	<u>(22,242)</u>	<u>\$ 69,439</u>	<u>\$ 36,318</u>
Nonoperating revenues (expenses):				
Interest income	3,691	1,471		
Interest and fiscal charges	(28,864)	(29,934)		
Total nonoperating revenues (expenses)	<u>(25,173)</u>	<u>(28,463)</u>		
Loss before transfers	<u>(7,046)</u>	<u>(50,705)</u>		
Transfers in (out):				
Transfers in	-	3,451		
Transfers out	(14,770)	-		
Total transfers in (out)	<u>(14,770)</u>	<u>3,451</u>		
Change in net assets	(21,816)	(47,254)		
Net assets, beginning	<u>4,372,588</u>	<u>4,419,842</u>		
Net assets, ending	<u>\$ 4,350,772</u>	<u>\$ 4,372,588</u>		

Water		Sewerage		General and Administrative	
2006	2005	2006	2005	2006	2005
\$ 297,349	\$ 271,417	\$ 223,888	\$ 204,187	\$ -	\$ -
5,500	4,600	1,200	1,050	-	-
11,694	8,029	7,308	6,082	-	-
<u>314,543</u>	<u>284,046</u>	<u>232,396</u>	<u>211,319</u>	<u>-</u>	<u>-</u>
-	-	-	-	8,480	9,605
300	1,045	-	-	-	-
21,191	20,691	99,996	99,996	-	-
33,800	22,733	65,156	54,614	5,003	3,702
-	-	-	-	-	-
24,512	23,757	18,384	17,818	14,882	14,424
8,712	9,536	5,446	5,298	-	-
-	-	-	-	17,834	15,732
14,657	31,365	45,472	36,724	11,942	7,665
4,830	5,048	3,019	2,805	-	-
64,642	67,427	40,401	37,459	-	-
-	-	17,880	14,300	-	-
-	-	-	-	17,775	12,877
46,826	36,876	9,973	6,543	-	-
838	989	228	280	-	-
1,134	-	850	-	-	-
-	-	-	-	2,503	3,709
8,485	3,189	8,236	6,874	13,448	16,007
<u>30,316</u>	<u>27,628</u>	<u>22,967</u>	<u>20,930</u>	<u>(91,867)</u>	<u>(83,721)</u>
<u>260,243</u>	<u>250,284</u>	<u>338,008</u>	<u>303,641</u>	<u>-</u>	<u>-</u>
<u>\$ 54,300</u>	<u>\$ 33,762</u>	<u>\$ (105,612)</u>	<u>\$ (92,322)</u>	<u>\$ -</u>	<u>\$ -</u>

**INTERNAL CONTROL, COMPLIANCE**

**AND**

**OTHER MATTERS**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable John Fontenot, Mayor  
and Members of the Board of Aldermen  
Town of Port Barre, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Port Barre, Louisiana (the Town) as of and for the year ended September 30, 2006, which collectively comprise the Town of Port Barre's basic financial statements and have issued our report thereon dated December 21, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 06-1(IC).

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

We also noted other matters involving the internal control over financial reporting that we have reported to management of the Town in a separate letter dated December 21, 2006.

This report is intended for the information of management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
December 21, 2006

# TOWN OF PORT BARRE

## Summary Schedule of Current and Prior Year Audit Findings and Management's Corrective Action Plan September 30, 2006

Fiscal Year Finding Initially Occurred		Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
Ref. No.						
CURRENT YEAR (09/30/06) --						
<u>Internal Control:</u>						
06-1(IC)	Unknown	Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.	N/A	Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Toria Comeaux, Town Clerk	N/A
<u>Management Letter:</u>						
06-2(ML)	2000	During the fiscal year ended September 30, 2006, the Utility Fund Sewerage Department experienced an operating loss of \$105,612. The Town should consider increasing sewerage rates and/or decreasing expenses in order for these departments to operate on a profitable basis.	Partial	Town officials will review current sewerage rates to determine whether rate increases are required and will closely scrutinize department expenses to determine where reductions can be made. These procedures should enable the sewerage department to operate on a profitable basis in the future.	Toria Comeaux, Town Clerk	6/30/2006

(continued)

(continued)



# TOWN OF PORT BARRE

## Summary Schedule of Current and Prior Year Audit Findings and Management's Corrective Action Plan (Continued) September 30, 2006

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
PRIOR YEAR (09/30/05) --						
<u>Internal Control:</u>						
05-1(IC)	Unknown	Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.	N/A	Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Toria Comeaux, Town Clerk	N/A
<u>Management Letter:</u>						
05-2(ML)	2000	During the fiscal year ended September 30, 2005, the Utility Fund Sewerage Department experienced an operating loss of \$92,322. The Town should consider increasing sewerage rates and/or decreasing expenses in order for these departments to operate on a profitable basis.	Partial	Town officials will review current sewerage rates to determine whether rate increases are required and will closely scrutinize department expenses to determine where reductions can be made. These procedures should enable the sewerage department to operate on a profitable basis in the future.	Toria Comeaux, Town Clerk	6/30/2006

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Cheryl L. Bartley, CPA, CVA  
Mandy B. Self, CPA  
Chris E. Bilski, CPA

Retired:  
Conrad O. Chapman, CPA\* 2006  
Harry J. Clostio, CPA 2007

\* A Professional Accounting Corporation

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**The Honorable John Fontenot, Mayor  
and Members of the Board of Aldermen  
Town of Port Barre, Louisiana**

During our audit of the basic financial statements of the Town of Port Barre for the year ended September 30, 2006, we noted an area in which improvements in the accounting system and financial practices of the Town may be desirable. This recommendation was also included in our management letter dated December 15, 2005 applicable to our audit of the basic financial statements for the year ended September 30, 2005, but is mentioned again for re-emphasis.

The Utility Fund sewerage department experienced an operating loss before operating transfers of \$105,612. The Town should consider increasing sewerage rates and /or decreasing expenses in order for the department to operate on a profitable basis.

We would like to express our appreciation to you and your office staff for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing any of our recommendations, please feel free to contact us.

***Kolder, Champagne, Slaven & Company, LLC***

Certified Public Accountants

Lafayette, Louisiana  
December 21, 2006